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should march in a socialistic procession, bearing a red flag with the inscription "I am no socialist," he could hardly pick a quarrel with the newspapers for reporting him as a socialist. Neither should Dr. Ely complain, if the color he gives to many statements leads people to call him a socialist in spite of his emphatic protests to the contrary.

HENRY W. FARNAM.

The Philosophy of Wealth. Economic Principles newly Expounded. By JOHN B. CLARK, A.M., Professor of History and Political Science in Smith College; Lecturer on Political Economy in Amherst College. Ginn & Co., Boston, 1886.

I cannot express too warmly my appreciation of this treatise. It presents the rare excellence of fully recognizing the influence of moral forces in economic actions while at the same time maintaining the scientific spirit in the analysis of industrial processes. Its title is not misleading. From the first chapter to the last it is a scholarly discussion of the philosophy of wealth.

This discussion begins, as might be expected, with an analysis of wealth. The purpose of the author seems to be to formulate a definition sufficiently broad to include all sorts of useful things that may be bought and sold, and sufficiently accurate to avoid the necessity of admitting numberless and annoying exceptions. Mr. Mill's definition, it will be remembered, contemplated only material things as wealth, and, in consequence, compelled a classification of industrial workers into direct producers, indirect producers, and non-producers. This is avoided by the definition of Professor Clark, which permits all labor resulting in the satisfaction of felt wants to be classed as productive.

With regard to labor, the conception which finds expression in this book is very simple. Labor is "wealth-creating effort." This phrase, properly understood, may be consistently used throughout the entire domain of economic discussion. It pierces to the centre the misconception of those socialists whose merit it is logically to apply the premises provided by Ricardo, and permits the student to avoid the erroneous conclusions of Mr. Mill in his treatment of the distribution of the product.

The human activity [says our author] which produces wealth is an activity of the entire man, physical, mental, and moral, and there is no industrial product so simple and so purely material that these three elements of human agency are not represented in it. In proportion as the intellectual element of labor predominates over the physical, and as the moral element

predominates over both, the products rise in the scale of respectability and value. The labor of a stone-mason involves a physical effort in the simple moving of materials, an intellectual effort in their skilful combination, and a moral effort in the conscientious use of proper material and methods. [Page 19.]

It is but a step from a study of the nature of wealth and labor to a consideration of the nature of the basis of economic laws, and the important thought in the chapter devoted to this subject springs from the conception that an increase in numbers in society must of necessity change the character of the social organism. On this matter the author expresses himself as follows :

It is not merely man as an individual that needs to be considered. A man is not independent. So close is the relation between him and others of his race that his conduct is dictated and his nature transformed by it. . . . The solidarity of society is a primary economic fact. Political economy treats, not merely of the wealth of individuals who sustain complicated relations to each other, but of the wealth of society as an organic unit. . . . Society holds two distinct relations toward every man ; it is the object of his efforts ; he is the object of its efforts. . . . The social relation reacts on the nature of the individual. . . . Low organisms of every sort have few and simple wants, [but] multiplicity of wants marks the grade of society and of the individual. . . . Closely connected with the mere complication of social structure is the growth of specific vices and virtues. The isolated man had no neighbors to rob and none to serve. . . . Social relations, wants and want-satisfactions, sins and virtues, multiply in corresponding degree. Together, therefore, with mere altruism, the economic principle by which man in self-interest is led to work for others, there grows in controlling influence the higher altruism of unselfishness. Society of the highest type is not merely differentiated and cephalized. There is, indeed, in high civilization, increasing division of labor, and a progressive control of the social body by a thinking organ ; but there exists, in as marked a degree, a growing subordination of brain and members to the dictates of moral law. This is the great neglected economic fact of modern times. [Pages 37 to 43.]

But Professor Clark carries further this life-giving truth, that society is an organism subject to the law of ordered change, and makes it the basis of his theory of value. For those who are acquainted with the writings of Professor Jevons there is little new in this chapter, but those who appreciate Professor Jevons will gladly see his views again brought into prominence. It is regarded as essential to an adequate presentation of this elusive subject that utility and value should be inseparably bound together in thought. "Value is quantitative measure of utility." (Page 74.) In order, therefore, to understand the process of exchanges, the attention of the student must be drawn to the nature and source of utility.

But utility is conceived to be an attendant and not an intrinsic quality, and is consequently dependent upon the relation of commodities to the wants which they are designed to satisfy. That which seems to be new in this treatment of the subject, is a somewhat vaguely suggested classification of commodities according as they satisfy crude or developed wants; for it is observed that the law of utility, when applied to commodities serving various purposes, leads to varying results.

The question of distribution, also, receives attention, and it is properly recognized that "the problem thrust upon society is not merely how to divide a sum, but how to adjust rights and obligations." (Page 109.) Distribution is regarded as the reverse of production. As the process in the latter case is synthetic, so in the former case is it analytic. This is undoubtedly a true suggestion, but whether it will also prove to be a fruitful one, can only be determined by experiment. We can speak more confidently of the importance of the thought that the analytic process of distribution concerns itself with separating "values into a series of quantitative increments." (Page 113.) The chapter upon wages as affected by combinations is satisfactory as far as it goes, and is especially interesting because written under the guidance of the historical method of study. The proof of this is the ease with which the changes in the nature of competition, introduced by the industrial expansion of the last one hundred years, are interpreted (pages 130-140); for the historical method does not consist, as many seem to think, in an appeal to history for the support of assumed premises,—its test is rather the judicial spirit with which one enters upon the task of analysis. The best chapter of the book is the one which treats of the ethics of trade; the least satisfactory chapter is the last, which discusses the economic functions of the church. It leaves the impression of being a little fanciful and incomplete.

This review has certainly been sufficiently appreciative to have earned the privilege of a single criticism. Professor Clark's book challenges the attention of students, as a contribution to the development of systematic thought upon the subject which it treats. It should, therefore, contain an adequate number of references, either as notes or in the text, so that the reader need not be called upon to separate for himself that which is new in the treatise from that which has previously found expression. This, the author has not been careful to do. For example, the quantitative conception of wants and utilities (an idea which lies at the basis of the mathematical method in economics), the general doctrine of increments as applied to exchanges, the thought that competition can exist between commodities offered for sale, as well as between the purchasers of commodities,—these all belong, in the minds of Eng-

lish readers, to the intellectual estate of Professor Jevons. Again, we find (page 155) an admirable presentation of the fact that competition between workingmen is at any time restricted to certain well-defined industrial groups. The reader is told that these non-competing groups should not be confused with those to which Professor Cairnes called attention, but he cannot learn from the text that this distinction was built into the structure of economic thought nearly twenty years ago by Mr. Longe. It forms one of the three indictments which he drew up against the wage-fund doctrine. The explanation of these omissions is, I think, that Professor Clark does not recognize the importance of his addition to American economic literature; and for that reason, neglects to indicate precisely the directions in which his treatise contributes to its development.

HENRY C. ADAMS.

Die nordamerikanischen Eisenbahnen in ihren wirthschaftlichen und politischen Beziehungen. Von ALFRED VON DER LEYEN. Leipzig, Veit & Co., 1885. — 8vo, 402 pp.

The Railways and the Republic. By JAMES F. HUDSON. New York, Harper & Brothers, 1886. — 8vo, 489 pp.

Das Eisenbahntarifwesen im allgemeinen und nach seiner besonderen Entwicklung in Deutschland, Oesterreich-Ungarn, der Schweiz, Italien, Frankreich, Belgien, den Niederlanden und England. Von FRANZ ULRICH. Berlin u. Leipzig, Verlag von J. Guttentag (D. Collin), 1886. — 8vo, xii, 504 pp.

An Investor's Notes on American Railroads. By JOHN SWANN, M.A., Oxon. sometime General Manager Alabama Great Southern Railroad. New York, G. P. Putnam's Sons, 1886. — 12mo, iv, 172 pp.

No one question has thrust itself to the forefront of scientific investigation and popular interest with more rapidity than the transportation problem. With each succeeding year the literature of the subject increases at an immense pace. Among the noteworthy publications of the last twelve months I have selected these four works as being of permanent value, although in greatly varying degree, to the American student.

The book of von der Leyen, on American railways in their economic and political relations, is largely made up of essays that have appeared in the *Archiv für Eisenbahnwesen*, of which he is the editor. It is